

**Application number:** 09/534233

**Art Unit:** 3628

**Applicant:** Khai Hee Kwan

**Examiner:** Clement, B Graham.

**Title:** System and method for conducting an electronic financial asset deposit auction over computer network

to financial institution. Antecedent for financial institution is readily found in our specification as our claimed invention has always been related to financial institution whereby deposit taking institution is a subset of the former. We submit that neither prior art shows financial institution. Our "method" claimed invention distinguishes the prior arts in the following manner. We  
5 consider Claim 15 the broadest independent claim here.

1. The bids' manner and form include non monetary bids for exchanging interest/principal with shares as an alternative to interest cost of money. This is seen in our element (c ) in Claim 15. The system is also designed for applicant to deposit shares in lieu of money. This is seen in our  
10 element ( a) in Claim 15 as per element "deposit application".

In 12CFR 204.2 ( Code of Federal Regulation ) a definition for deposit is given and we  
15 paraphrased this as follows: "The unpaid balance of money or its equivalent received or held by a depository institution in the usual course" ( at (a)1(i) ) or "Money received or held by a depository institution" ( at (a)1(ii)) etc. The definition is rather extensive so we have not reproduced the complete section here but sufficient to show that this is not within the business of a document printing service. In addition, in 12CFR204.2 at (a)(2) this section describes what is NOT a deposit which again if we may paraphrased "Accounts payable" ( at (a)(2)(iv)) or "An obligation issued  
20 for the purpose of raising funds to purchase business premises, equipment, supplies, or similar assets is not a deposit" ( at (a)(2)(iii) ) which is commonly found in most business. It is also noted that in *Pennwalt Corp v Durand-Wayland, Inc* (833 F 2.d 931, 4 USPQ 2 d 1737 ( Fed Cir.1987)(en banc), cert denied, 485 US 961 (1988), held that a device or process that includes a substantially different function will not be considered an equivalent ( See at 1743).

25

The motivation.

Where obviousness is alleged to arise from a combination of elements across various references, proof of obviousness must include a suggestion, motivation, or teaching to those skilled in the art  
30 to make the combination. *Iron Grip Barbell Co. v. USA Sports, Inc.*, 392 F.3d 1317, 2004 U.S. App. LEXIS 25769 at \*6, No. 04-1149, slip. op. at 5 (Fed. Cir. Dec. 14, 2004).

35 The examiner provided the motivation as "in order to facilitate transactions between buyers and sellers without identifying the parties involved in the transaction".

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The applicant respectfully submits that this motivation is conclusory as it does not suggest any benefit for anonymity to be found in Huberman in combination with Breen. The fact is that in a brokered auction the buyers and sellers do not have access to each other identities during the auction phrase. Only the broker has this information. This is also suggested by the examiner at page 2 ( of final action letter mailed Sept 12-2005) and we quote " ( ie the customers and suppliers submitting services request and bids to broker "intrepretive as concealing the identities" see col 3 lines 40-58). If this is so then why is there a need to assigned handles as found in our element (b) ? Furthermore even if handles could be assigned to further conceal the identities of the buyers and sellers during or after the auction phrase, the question is whether this will be of any benefit notwithstanding a further need to reveal at least one of these identities as in our element (d). In short, our claimed invention shows assigning a handle and revealing the identity without a deposit broker. "unless the prior art suggested the desirability of [such a] modification" or replacement. *In re Gordon*, 733 F.2d 900, 902 , 221 U.S.P.Q. (BNA) 1125, 1127 (Fed. Cir. 1984).

In Breen this complete anonymity ( ie no revelation at all) is strategically important given the business nature of selling regulated chemicals but there is no similarity to the business of printing documents as in Huberman. Note that Breen is not using a broker hence the buyers and sellers have direct access to each other to support the call for anonymity feature. As for our claimed invention, the assignment of handle is critical for the same reason that people do not want to be known having lots of money for depositing particularly on a public network. And even if the motivation is acceptable, the combined features still do not meet our claimed invention for "deposit auction" as neither actually could deal with a deposit application and corresponding bids as seen in element (a) and (c) of our claim 15. In short, there are no suggestions found in either prior arts to combine each other features.

Our submission above can be summaries in the following Table A

Features/Elements	Huberman	Breen	Our claimed Invention (claim 15)
Deposit Application	No	No	Yes and includes money or securities being on offer to attract a competitive return.
Assigning of handle	No	No (Option to be Anonymous only) See	Yes for deposit applicant during the auction

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		<b>Fig 14A</b>	<b>period.</b>
Type of System	Brokered Auction	Direct User Select	Non-Brokered Auction where user selects.
Anonymity	Identities known to broker.	Yes as an option but without handle	Yes by assigning a handle
Reveal Identity of applicant/requester as opposed to revealing identities of bidders.	No. Broker reveal the identities of selected bidders for requester to select. Avoid problem of potentially working undesirable printers ( Col 4 line 5-7)	No -system arrange the transaction anonymously where anonymity option is selected.	Since the identities of bidders are already known, the depositor need only select those that he finds desirable to reveal his identities to. (hence under depositor control)
Non-Monetary Bids for Deposit	No	No	Yes, bids are a combination of deposit terms or in exchange. The essence here is that the financial institution can pay interest as a function of cost of money or in terms of other assets. The latter is more in line with Islamic banking practices which forbids interest payment.
Displaying of Anonymous Application over a network	No, applications are send to selected bidders by broadcasting. ( Col 5 line 1-4)	Yes	Yes
Financial Institution	No	No	Yes
Selection/Matching	Yes by Broker, a number of lowest price bids to be presented to requester or select by broker. ( Col 4 line 5-	Yes by Buyers/Sellers themselves.	Yes by Deposit Applicant for the highest return for deposit

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Claim 24 and 29.

These two claims are of different class to claim 15 which the former depended on. They could be written independently but we have chosen to make them dependent on claim 15 for ease of examination given there is a less risk of typo or missing of elements so basically they repeat the same elements which includes structural limitations. For example claim 24 recites a deposit auction system which is a programmed computer capable of performing the tasks of method 15. while claim 29 is article of manufacture. Therefore even if the "work piece" is not read in claim 15, in these two claims they are distinctively claimed being a deposit auction system or executable codes capable of receiving deposit application and accepting bids for said, respectively. For claim 24, the examiner revealed "col 20 lines 20-30 of Huberman" which shows Claim 2 of Huberman containing a feature of a network and computer with programmable codes. However as we have maintained above Huberman did not suggest his invention to be a deposit auction system to solicit deposit terms between depositor and financial institutions.

Claim 35

Claim 35 is a system class claim written in a means plus function format. This claim also shares much of the same elements found in Claim 15 and therefore our rebuttal would be similarly found which is that Huberman as a prior art dealing with document printing services would not be found obvious in combination with Breen. Our reasoning therefore would be similar as found in Claim 15 above.

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Claim 17,26,31,36

The claims all relate to one critical feature and that is verification of financial assets. Claim 17 is a method, claim 26 is a system, claim 31 is a article of manufacture and claim 36 is a system in means plus type. Huberman suggests authentication but this is in referencing to document services. ( col 1 lines 15-20 and col 3 lines 40-55). We quoted "Document services can include, for example, printing, scanning, interpretation, text and image recognition, editing, reproduction, binding, colorization, transmission (e.g., by facsimile or by electronic mail), mailing, storage (e.g., in microphotographic or digital form), retrieval, format conversion, authentication,

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searching, and many others. "

Depending on the nature of the printing requirement, there may be a need to authenticate the document especially in high quality or security document. However, whether this reads into our  
5 need to verify deposit applicant's financial assets is different as this task is performed by a credit authorizer usually by checking ones bank account. We are doubtful that a document service provider could ring up a bank or stock broker to check if their clients have the necessary money or shares for depositing with them. And even if they can ring, there is no guarantee that such information could be provided without express approval by the clients. As far as business practice  
10 is concerned, we are also doubtful this is common in the printing services to check clients' account. Rather the better view is that the printer will demand upfront payment or a deposit security for the purpose of satisfying the printing order but not as in certificate of deposit.

**Claims 16,18,19, 25,27,28,30,32,33,35,37,38**

15 These claims are wholly dependent on the above and as well been stated previously in our submission dated 5 June 2005 and herein incorporated by reference.

We respectfully ask the examiner to consider the above claims and allow them given their  
20 dependency with the main independent claim 15. The applicant further ask the examiner where appropriate to discuss the above issues with the applicant. If the examiner agrees but does not feel the present claims are technically adequate, applicant respectfully request the examiner writes acceptable claims in pursuant to MPEP 707.07(j).

25 The applicant could be contacted at khkwan@yahoo.com or chris@ecorpnu.com and will make the necessary arrangements to call the examiner.

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**Declaration 37 CFR 1.132**

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I hereby declare that all statements made herein of my own knowledge are true and that all statements made on information and belief are believed to be true; and further that these statements were made with the knowledge that willful false statements and the like so made are punishable by fine or imprisonment, or both, under section 1001 of Title 18 of the United States Code, and that such willful false statements may jeopardize the validity of any application, any patent issuing thereon, or any patent to which this verified statement is directed.

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25 Date: Oct 2, 2005

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